

Table of Contents and WAC

Purpose: This category describes the Medically Needy Residential Waiver (MNRW) program that provides waiver services to clients who reside in the following residential facilities:

- Adult Family Home (AFH)
- Assisted Living (AL)
- Enhanced Adult Residential Care facility (EARC)

MNRW services are not available to clients in their own home

This category contains the following sections.

- A. Financial and Functional Processes
 - B. Resources
 - C. Income
 - D. Determining Cost of Care and Client Responsibility
 - E. Participation Limits and Waiting Lists
 - F. Scenarios
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Effective March 17, 2003

WAC 388-514-1540 Medically needy residential waiver program.

This section describes the financial eligibility requirements for waiver services under the medically needy residential waiver (MNRW) and the rules used to determine a client's responsibility in the total cost of care.

- (1) To be eligible for MNRW, a client must meet the following conditions:
- (a) Does not meet financial eligibility for Medicaid Personal Care or the COPES program;
 - (b) Is eighteen years of age or older;
 - (c) Meets the SSI related criteria described in WAC 388-511-1105(1);
 - (d) Requires the level of care provided in a nursing facility as described in WAC 388-71-0700;
 - (e) In the absence of waiver services described in WAC 388-71-0410 and

388-71-0415, would continue to reside in a medical facility as defined in WAC 388-513-1301, or will likely be placed in one within the next thirty days;

- (f) Has attained institutional status as described in WAC 388-513-1320;
 - (g) Has been determined to be in need of waiver services as described in WAC 388-71-0442;
 - (h) Lives in one of the following department-contracted residential facilities:
 - (i) Licensed adult family home (AFH);
 - (ii) Assisted living (AL) facility; or
 - (iii) Enhanced Adult Residential Care (EARC) facility.
 - (i) Is not subject to a penalty period of ineligibility for the transfer of an asset as described in WAC 388-513-1364, 388-513-1365 and 388-513-1366; and
 - (j) Meets the resource and income requirements described in subsections (2) through (6).
- (2) The department determines a client's nonexcluded resources under MNRW as described in WAC 388-513-1350 (1) through (4)(a) and WAC 388-513-1360;
- (3) Nonexcluded resources, after disregarding excess resources described in (4), must be at or below the resource standard described in WAC 388-513-1350 (1) and (2).
- (4) In determining a client's resource eligibility, the department disregards excess resources above the standard described in subsection (3) of this section:
- (a) In an amount equal to incurred medical expenses such as:
 - (i) Premiums, deductibles, and co-insurance/co-payment charges for health insurance and Medicare premiums;
 - (ii) Necessary medical care recognized under state law, but not covered under the state's Medicaid plan;

- (iii) Necessary medical care covered under the state's Medicaid plan.
- (b) As long as the incurred medical expenses:
 - (i) Are not subject to third-party payment or reimbursement;
 - (ii) Have not been used to satisfy a previous spend down liability;
 - (iii) Have not previously been used to reduce excess resources;
 - (iv) Have not been used to reduce client liability; and
 - (v) Are amounts for which the client remains liable.
- (5) The department determines a client's countable income under MNRW in the following way:
 - (a) Considers income available described in WAC 388-513-1325 and 388-513-1330(1), (2), and (3);
 - (b) Excludes income described in WAC 388-513-1340;
 - (c) Disregards income described in WAC 388-513-1345;
 - (d) Deducts monthly health insurance premiums, except Medicare premiums.
- (6) If the client's countable income is:
 - (a) Less than the residential facility's department-contracted rate, based on an average of 30.42 days in a month the client may qualify for MNRW subject to availability per WAC 388-71-0465;
 - (b) More than the residential facility's department-contracted rate, based on an average of 30.42 days in a month the client may qualify for MNRW when they meet the requirements described in subsections (7) through (9), subject to availability per WAC 388-71-0465.
- (7) That portion of a client's countable income, which is over the department-contracted rate, is called "excess income."
- (8) A client who has or will have "excess income" is not eligible for MNRW until the client has medical expenses which are equal in amount to that excess income.

This is the process of meeting "spenddown." The excess income from each of the months in the base period is added together to determine the total "spenddown" amount.

- (9) Medical expenses described in subsection (4) of this WAC may be used to meet spenddown if not already used in subsection (4) of this WAC to disregard excess resources or to reduce countable income in subsection (5)(d).
- (10) A client who meets the requirements for MNRW chooses a three or six month base period. The months must be consecutive calendar months.
- (11) A client is not certified for MNRW until they have attained institutional status described in WAC 388-513-1320.
- (12) The client's income that remains after determining available income in WAC 388-513-1325 and 388-513-1330 (1), (2), (3) and excluded income in WAC 388-513-1340 is paid towards the cost of care after deducting the following amounts:
 - (a) An earned income deduction of the first sixty-five dollars plus one-half of the remaining earned income;
 - (b) Personal needs allowance (PNA) described in WAC 388-515-1505 (7)(b);
 - (c) Medicare and health insurance premiums not used to meet spend down or reduce excess resources;
 - (d) Incurred medical expenses described in (4) not used to meet spend down or reduce excess resources.